

UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

Office of Markets, Tariffs and Rates

New York Independent System  
Operator, Inc.  
Docket No. ER04-696-000

Issued: 5/25/04

Hunton & Williams  
1900 K Street N.W.  
Washington, D.C. 20006

Attention: William F. Young  
Counsel, New York Independent System  
Operator, Inc.

Reference: Pricing Rules for a Non-Competitive  
External Proxy Generator Bus

Ladies and Gentlemen:

New York Independent System Operator, Inc.'s (NYISO) submittal is accepted for filing as designated with the effective date of May 30, 2003.

On March 31, 2004, you filed on behalf of NYISO, a revision to Attachment B of FERC Electric Tariff Original Volume No. 2 and to Attachment J of FERC Electric Tariff Original Volume No. 1 to revise the special pricing rules for the Hydro Quebec Proxy Generator Bus. In approving these rules, the Commission limited application of the special pricing rules when congestion at the Hydro Quebec Proxy Generator Bus resulted from real-time demand. The submitted revision removes that provision, based on the finding that the cost of implementation of the rule would exceed the dollar impact of the rule change by an order of magnitude.

The filing was noticed on April 6, 2004, with comments due on April 21, 2004. No protests or adverse comments were filed.

This action is taken pursuant to the authority delegated to the Director, Division Tariffs and Rates - East, under 18 C.F.R. § 375.307.

This acceptance for filing shall not be construed as constituting approval of any service, rate, charge, classification, or any rule, regulation, contract, or practice affecting such rate or service contained in your filing; nor shall such acceptance be deemed as recognition of any claimed contractual right or obligation associated therewith; and such action is without prejudice to any findings or orders which have been or may hereafter be made by the Commission in any proceeding now pending or hereafter instituted by or against your company.

This order constitutes final agency action. Requests for rehearing by the Commission may be filed within 30 days of the date of issuance of this order, pursuant to 18 C.F.R. § 385.713.

Sincerely,

Alice Fernandez, Director  
Division of Tariffs and Market  
Development- East